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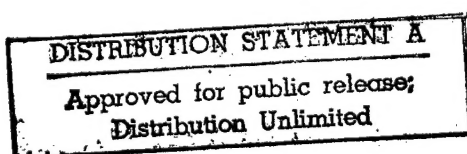
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JPRS Report

Near East & South Asia

EGYPT

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International Affairs

Opportunity Seen To Reduce Debt to U.S.

92AF1086B Cairo AL-AHRAM AL-DUWALI in Arabic
10 Jul p 6

[Article by Dr. Mahmud Wabbah, president of the Egyptian-American Businessmen's Society]

[Text] The Egyptian administration succeeded last year in canceling Egypt's military debts to America, worth \$6.5 billion dollars, and succeeded, as well, in reducing Egypt's economic debts to most of the countries of the world, including nearly half of the World Bank's Paris Club. According to statistics, Egypt's total foreign debts decreased from \$46 billion in 1990 to about \$29 billion this year. Of the remaining debts, Egypt still owes America about \$5.4 billion—all civilian and economic debt. Egypt has asked the Paris Club to reduce these debts by about 50 percent, as most European countries have done, but this request has elicited no reply as yet from the American administration.

And now there is a new opportunity for Egypt to reduce these economic debts to the United States by about half, without going to the Paris Club, but by taking advantage of a plan for a law being debated by the American Congress this month, expected to be passed before the end of the current congressional session this summer. As the debate on this law is taking place in near total secrecy, it is fitting that we reveal it to Egyptians and make those concerned aware of its existence so that we may benefit from this law and reduce Egypt's debt to the United States.

To clarify, President Bush's administration approved the proposed law [and] sent it to the U.S. House of Representatives for debate by the House Agriculture Committee. It is expected that this committee will approve the legislation within a week and then send it to the full Congress. Observers expect Congress to approve it during this session, and President Bush to sign it immediately.

The law provides for nine countries to be forgiven half their debts, to purchase American agricultural crops, on condition that part of the forgiven amounts be spent for specific purposes: 1) modernization, 2) environmental protection, 3) improving the standard of living for fixed incomes earners, and 4) preventing plant and animal diseases. The nine countries are Brazil, Chile, Mexico, Peru, Honduras, the Dominican Republic, Jamaica, El Salvador, and Panama. The sources of these debts—as with Egypt's debts—are development facilities given these countries by the United States to buy American agricultural crops. These facilities were granted through private commercial banks, but guaranteed by the U.S. Department of Agriculture, specifically by the Credit Commodity Corporation. But these countries have not paid their debts to the private banks for periods of between three to five years. The result was that these banks requested guarantee implementation and payment

of the debts from the U.S. Department of Agriculture. This did indeed happen, and the private banks' debts were transferred to the U.S. Government. These countries did not pay their debts to the U.S. Government. According to U.S. policy, none of these loans were written off in official U.S. ledgers, nor were they considered bad debts from the accounting point of view. This American policy has not changed in a long time.

For example, the government's Export-Import Bank still enters in its budget a loan granted to the Chinese Government before the Chinese revolution of 1949. Of course, there is no hope of this loan or any similar one being paid up, so the proposed law is considered a radical change in U.S. policy, from which Egypt deserves to benefit.

Especially as the nine countries benefitting from the proposed law are still indebted to the United States for huge sums, compared to Egypt. In fact, many of them have said they will not pay their debts.

For instance, Brazil has owed the United States \$111 billion since 1989, but will not pay more than \$11 billion—that is, it will not pay more than 10 percent of its debts. In spite of that, it is one of the countries to benefit from the proposed law. This law depends upon the following bases:

1. That the nine countries buy back their current debts from the U.S. Government through private banks and finance houses at a discount linked to the cost of the loans in the global finance market. The cost of the loans in the global finance market are, of course, less than their original worth. For example, the cost of Mexico's debts in the finance market now is 75 percent less than their original worth. That is, every dollar of Mexico's debts is bought in the finance market for 75 cents, at a discount of 25 cents on the dollar. In the same way, Peru's debt in the finance market is 17 percent of their original worth: every dollar of Peru's debts is bought in the finance market for 17 cents, a discount worth 83 cents on the dollar.

2. These countries set aside a sum equal to 40 percent of the total cancelled debt for domestic spending, within their countries, for the purposes of protecting the environment, improving the standard of living for fixed-income earners, or preventing plant and animal diseases.

From this it is clear that Egypt's interests require it to be among those countries benefiting from the proposed law. In order to achieve that, we must consider a number of facts.

First: When the United States put forth the plan, called the Brady Plan, to reduce Third World debt several years ago, it was followed up in about the same manner as the proposed law. The Brady Plan started first with the countries of Latin America and Central America, then expanded to include almost all the rest of the countries of the world in subsequent phases. Also, the Brady Plan

began first with private commercial banks, then the plan expanded to include governmental debts in subsequent phases.

If we take this model into consideration, it is appropriate for Egypt to begin directly taking the necessary steps in order to be included in the proposed law as a beneficiary state at this early stage, or to guarantee its inclusion at subsequent stages, by using the principle of reciprocity. In either case, the time to negotiate the matter is before the law is enacted.

Second: Most of Egypt's remaining U.S. debts are attributable to U.S. agricultural exports to Egypt. Egypt is one of the world's biggest markets for American wheat, and is the world's second biggest market for agricultural produce. Egypt obtains loans for the import of these commodities through the American aid program. Every year Egypt borrows about a billion dollars for this purpose; thus Egypt's debts for importing agricultural produce are debts to the U.S. Government. This could simplify for Congress the steps to include Egypt among the countries benefiting from the proposed law.

At the same time, the volume of business between the two countries in the field of U.S. agricultural exports to Egypt creates common interests in the sense that the United States itself, specifically the Department of Agriculture, would benefit from this connection, and hope that its agricultural imports to Egypt continue. That is, as well, an important incentive, because the U.S. administration and the U.S. Congress are negotiating with Egypt to guarantee the continuance of these exports.

Third: According to statistics from the U.S. Embassy in Cairo, Egypt's debts to the United States amounted to \$2.8 billion in September, 1990, for development facilities to import agricultural produce, in addition to the amount of \$2.6 billion for various other economic assistance. Thus the total Egyptian debt owed to the United States was \$5.4 billion on that date. Most of these debts go back to the 1980's and earlier. Egypt could not repay them then, and it is crucial to mention that the cost of the charge on these debts is exorbitant compared to currently prevailing interest rates in financial markets. This cost is nearly 16 percent, including the cost of interest, late penalties, and so on; so Egypt pays \$600 million annually solely to service the debt. By comparison, the U.S. Federal Reserve lowered the prime rate to 6 percent last week. The U.S. Government itself borrows at an interest rate not exceeding 3 percent, and it is clear that Egypt must find a solution to the problem of servicing its American debts before they pile up anew and lead, again, to a rise in debt at compound interest.

Fourth: Egypt's debts have now been traded in global finance markets for some time, and Egypt has a private market considered one of the most active debt markets in a Third World country. That is due to global optimism over the future of the Egyptian economy. So many of the world's banks and financial firms are coming in to buy and sell Egypt's debts, to the point where at times the

demand for Egyptian debt has exceeded the supply. The cost of Egyptian debt has risen in global financial markets, and now reaches 54 percent of the full value. Thus every dollar of Egypt's debt is purchased in the financial market for 54 cents, and it is expected that the price of dealing in Egyptian debt will continue to rise in the global financial market.

Fifth: In the beginning, Egypt may be able to benefit from the proposed law as regards agricultural debt alone, but if the new U.S. policy continues, it may expand to include the rest of Egypt's other economic debts. Let us suppose that Egypt succeeds in its negotiations to get agricultural debts included. In that event, Egypt would buy these debts using the development facilities of commercial banks and global finance firms which currently act in the Egyptian debt market or other sources of commercial funding, and at currently prevailing interest rates. The worth of the agricultural debt is \$2.8 million. According to the proposed law, it may be purchased at 54 percent of its full value, equalling the worth of Egypt's debts in global financial markets, or at a discount, worth \$1.3 million. At the same time, the cost of servicing the agricultural debts decreases from \$450 million to about \$90 million per year. Thus the cost of debt service would decrease year by year by \$360 million, because the current cost of commercial interest is about 6 percent and is headed downward, not the 16 percent Egypt has borne year after year.

In summary, Egypt's debts to America may be reduced by about \$1.6 million if it benefits from the scheme of the proposed law; the only condition is for Egypt to spend \$520 million, locally and over a period of several years, to protect the environment and improve the standard of living of limited income earners, to prevent animal and tree diseases. Indisputably, the provisions of Egypt's current budget contain equal or greater sums to achieve these noble goals.

Internal Affairs

Postelection Restructuring of NDP Discussed

92AF1096A Cairo AL-AHRAM AL-DUWALI in Arabic
16 Jul 92 p 2

[Article by 'Abd-al-'Azim al-Darwish and Nahal Shukri]

[Text] Within days, the National Party will go into its sixth general conference. The map of its membership and its organizational structures have changed in various areas by about 70 percent, through internal elections held over the last six months, for the party to offer a model of responsible democracy in action.

The party, which stands on the reformulation of its program and intellectual framework, rests on a philosophy that has governed its practices for the last three years, which followed its five year conference—to confirm that political action is aimed primarily at serving

the masses and participation in a solution, and confronting problems without the philosophy of party action being limited to shouting slogans and formulating chants.

The new form of the party membership reflects confidence on the part of a broad sector of the mass of citizens, influencing their departure from "the party of negativity" to join NDP [National Democratic Party] units. "Elections for restructuring the party moved more than 1 million citizens to request membership in the party. This reflects the citizens' confidence in the NDP's ability to work among them and confront their problems. The party's membership rose to more than 2.5 million," according to NDP Secretary-General Dr. Yusuf Wali, the first fruit of whose work was the "democracy of the election" forming the NDP.

Here the Assistant Secretary General, Planning Secretary Kamal al-Shadhli, says, "The restructuring elections were aimed primarily at the party offering a true model for mass structure that reflects the constant continuity between the base and the summit, and moved more new blood into leadership positions."

Al-Shadhli explains this, saying, "The restructuring process was accepted in an unprecedented manner by women and the young. The rate of representation for youth was nearly 60 percent of the party membership, with the restructuring process accounting for 70 percent of the new faces. The elections took place in nearly 6,000 of the party's base units and nearly 300 center committee and section units, in addition to the re-forming of 26 secretariats-general in the governorates.

"While we accepted a phase of action that called for the need for development plans to go beyond the limits of 'newsletters' or reliance on 'the government' for every little thing, the party's experience over the past three years has proven its ability to go among 'the people' from the limits of negativity to a phase of positive participation.

"We truly believe that what really concerns citizens is a triangle, the three sides of which are: food for survival, a feeling of security, and health. And so the party acted."

Dr. Wali interprets the three axes as party action aimed at offering new opportunities for youth to confront the problem of unemployment, in cooperation with members of the government, considering that it is the party's government. So 35,000 job opportunities for young graduates have been provided in new areas, besides funding their small projects through the Social Fund, and the annual job opportunities the state provides through the five-year plan.

"The NDP's action came to cut off outbreaks of extremism that occurred recently in Upper Egyptian governorates, to reflect the party's desire to preserve the citizens' feeling of safety and security. We acted on this front with all the party's legislative and executive abilities and means to quell that discord before it could break

out in a way in which its danger might threaten all the development we have achieved," in the words of Dr. Wali, who confirmed that new action had indeed begun by simultaneously providing job opportunities for the young and continuing the dialogue with those who are deceived on the basis that some say unemployment is one of the causes of extremism.

The Health Council and NDP's confrontation of citizens' health problems, specifically in the remote governorates, is the third axis ruling the party's action in the past three years.

Forty-five medical caravans—led by the President of the Medical Council, Dr. Isma'il Salam—have visited most of the remote governorates over the past months and were able to offer treatment services to nearly 90,000 ailing citizens, distribute medicine worth more than a million pounds, and conducted nearly 2,500 surgeries on citizens, some of whom never imagined that an operating room would come to them where they are, without their having to move.

The medical caravans—in which more than 150 university professors in various exotic fields—acted with awareness and perception, not only aimed to conduct the medical examination of those suffering from limited incomes, but succeeded in joining university academia with society to serve it and solve its problems on studied scientific bases.

The party did not stop at offering a curative service to the ill; its goals went as far as to translate the extent of the importance of popular participation in confronting problems through personal effort. Here Dr. Isma'il Salam says, "We have succeeded in providing health units in remote places with 10 concentrated monitoring units, each worth 120,000 Egyptian pounds. So nearly 1.2 million pounds has been collected by personal effort so that these units might get to the cities of al-Wadi al-Jadid, the Red Sea, al-Minufiyah, Sawhaj, and other areas that lacked these health services. By providing free treatment to the limited-income sick, the Health Committee reached agreement with the 'Ayn Shams, Heliopolis, and Dar al-Shifa' Hospitals on establishing a special fund for treating the sick at no charge. The personal contributions have amounted to more than 1.5 million pounds.

Because the population issue and the increase in the conception rate pose a real threat to the course of economic development, the family planning caravans have been directed, under the supervision of Dr. Mahir Mahran, President of the Population Council in the NDP, to offer family planning services to the citizens in all the governorates.

The caravans have put a large number of member doctors in the Council, which is positively reflected in the decreased birth rate at the national level from 41 per thousand in 1985 to 31.7 per thousand in 1991, while the death rate decreased from 9.4 per thousand in 1985 to

7.8 per thousand last year, reflecting a rate of natural increase down from 3.02 percent in 1985 to 2.39 last year.

Government Blamed for Upsurge in Violence

92AF1078B Cairo AL-WAFD in Arabic 2 Jul 92 p 6

[Editorial by 'Abd-al-'Aziz Muhammad: "All Egypt on a Hot Tin Roof!"]

[Text] The government has begun another attack on the people, and the result is price rises for some commodities. It knows that it thereby raises prices on all commodities! Prices now are like beaten vessels, for whenever the price of one or other of them is raised, the increase affects every commodity, and the whole market is left in a state of utter confusion, without order or supervision. The government has enjoyed this process and was emboldened by it, as long as no one in Egypt questioned it or held it accountable. So our government was still not satisfied, and was impervious too. Even though President Mubarak said more than once that there would be no increases after the government had done what it had to do, and with all increases, the surprises kept coming, and the management of matters by the use of coincidence continued until he lost all credibility. In every instance the government peddled its worn-out excuse, saying that increases were a worldwide phenomenon, thus lying to the people and ridiculing them, and playing a three-card game with them. The worldwide rise in prices is not an absolute rule or value; it is wholly linked to the rises in the level of incomes and salaries. Yes, the government raised salaries, and made some additions, but the price rises were much higher, sweeping away every wage increase, leaving more and more of the people drowning, until the excuse became threadbare. The salary increases did not come, and there was a burst of price increases, a game inside an organized market. It came with a dangerous social return, represented in the fall far below the poverty line of a great majority of the people and the widening of social disparity, reaching the limit of polarization to the point where the people of Egypt are nearly divided into two peoples, unconnected by bridges.

The few rich sit at the top and play games with their money, as if there is no bank for it, and the overwhelming majority plunge into the abyss, unable to satisfy even the basic needs to keep them alive.

The streets of Cairo are filled with people with confusion on their faces, making their living by any means. There are employees who go into the streets in the evening—although some of them work as callers, others hold a yellow cloth and stand at traffic lights, trying to polish any car that stops—others sell boxes of tissues; and still others take trifling jobs that are closer to beggary. These are not odd individual instances, but have become general phenomena, witnessed by all. These phenomena have spread, and Cairo has seen an emigration from the countryside. Everyone comes to make his living from the

scattered crumbs that fall in the street. But the gentlemen in government come and go without eyes, and lower the curtains in their big cars so as not to see their victims, without ears to hear the cry of the people, the rattle in their voices, or the roar of the bitterness and anger that rage in their chests. Thus the government has become heartless, as if it were ruling some other people, not its own people. The gist of all this is the rise of the real unemployment rate, even if it is deceptively hidden with the mask of those pious little jobs! If unemployment was numbers and rates with economic signs, it would in all cases be soil fertile for all causes for discouragement and unrest.

All the phenomena we see overflow on to the face of the society, and are fertile soil for all motives for frustration, rebellion, and extremism, and fertile soil for all the mounting violence in society, which is almost a blazing fire to burn all the pillars of this society. Seeking the causes of extremism and escalating violence is not merely a security matter; it goes beyond that, falling within the pitiless social and economic mill. Resisting the phenomena of extremism and violence in society cannot be by way of searching and striking, nor even by the using fire and bullets to slaughter, nor by building more prisons and isolation camps. That would be a blind leap into the same cycle of violence: the cycle that keeps moving upward in a spiral of violence and counterviolence—great violence, and greater violence! Our government throws oil on the fire every morning, which increases the velocity of the social mill as it speeds up its rotation. While the government has an indifferent heart, and is satisfied, it also wants to confront all this [violence], although with a long arm. It does not hide the sharptoothed claws it has, nor does it hide its state of emergency, with which it has reached the point of an addiction; it seeks even more claws and talons and sharp, slicing fangs. It goes for a new law to combat terrorism, figuring that will be sufficient to confront extremism and mounting violence, not knowing that that does no more than throw more oil on the flames. It does not know that you do not treat internal diseases by chopping off heads. This law the government is considering might comfort it, perhaps for a day, but it does not know that it may wake up one day on the roaring volcano and blazing fires for which the emergency or terrorism law will be in vain.

The government treats problems from the outside, leaving the true cause hidden and buried; and the buried body, as the current saying goes, breaks the plow. The government sows thorns every day, and will reap only worse thorns. No law or legislation passed by night can withstand society's phenomena, its violent actions and the pitilessly turning vicious circle. The genuine and beneficial cure can only be by steadfastly tearing out their roots and pursuing just policies, so as to lighten the burdens daily piled on the people's heads. Voices offering advice have grown hoarse, and pens writing about reform and good sense have run dry; it remains only to warn, for we see that our clothes have caught fire, and that all people have begun to squirm on a hot tin roof!

Writer Condemns Islamization of Politics

92AF1021A Cairo AL-AHRAM AL-DUWALI in Arabic
24 Jun 92 p 11

[Commentary by Dr. Yunan Labib Rizq, professor of modern history at 'Ayn Shams University]

[Text] In the following, Dr. Yunan Labib Rizq continues to present his views regarding the assassination of Dr. Faraj Fudah. Last Wednesday, Dr. Rizq discussed frequently mentioned justifications regarding the assassination and the general climate in which it occurred. Today, he discusses the "Islamization of politics" in the media, the economy, culture, and the institutions of secular society. He presents his own view regarding the general regional climate which has invigorated Islamic political groups.

The author also deals with a number of changes which, he believes, led to this grievous incident.

In his opinion, the economy, which is a basic factor in politics, was the first field to be affected by Islamization. The 1980's saw a number of phenomena that had been absent in Egypt's economy since Muhammad 'Ali freed it from the yoke of feudalism in the early 19th century. Some organizations began hiring only Muslims, which undermined a key foundation of capitalism, i.e., competence as opposed to religion [in hiring practices]. In addition, "investment houses" [operating on the principles of Islamic law] appeared. It was assumed that these houses ultimately would cause the bankruptcy of secular financial institutions, chief among which are the banks of the public sector.

The 1980's also saw an attempt to exploit the "economic crisis" of the lower middle class, which had grown in size thanks to the policy of expanding university education. This crisis became entrenched due to inflation and the government's desistance from employing graduates. A shining slogan was promoted: "Islam is the solution." It affected them, and how!

The media was the second field to be affected by Islamization. Statistics confirm that people who became known as members of the religious current have enjoyed extensive coverage in the Egyptian media during the last decade. And this coverage has become multifaceted.

First, there was the press which speaks on behalf of the Muslim Brothers [MB] directly or indirectly. Next, there was the so-called religious press, which, in its form, is an unprecedented phenomenon in Egypt. (It should be noted that the parties, including the [ruling] National Democratic Party, have sought to outdo each other in publishing these newspapers). Then, there were the columns and regular features that the national and party newspapers allocated to members of the new current, whether novice journalists or veteran journalists who joined the current.

Swept along in the same current, the influential television agency allocated substantial airtime to members of

this current, without allocating any airtime to advocates of "secular society," among whom was Dr. Fudah.

The irony is that a state like Egypt, which has known a "secular society" for two centuries, a modern army, economic institutions, secular universities, etc., has been providing religious propagandists with all of these opportunities to destroy this society, while it beleaguers those defending it!

In addition, many publishing houses specializing in religious books were established. Some of their publications are in no way related to the spirit of the era, e.g., *The Torment of the Grave*, etc. Strikingly, these publications enjoy wide circulation, whereas the distribution of scientific and literary books has dropped off noticeably!

Finally, among the processes involved in the creation of the climate, is the rapid attempt by members of this current to gain control of organizations made up mostly of members of the lower middle class. Aware of the suffering of members of this class, proponents of this current have not tried to be elected to the board of directors of the al-Jazirah [Country] Club, for example. Rather, they have focused on professional unions and have taken control of some of them, in addition to several faculty clubs and student unions at the universities.

In this "climate," they have moved toward what they believe is the final stage in the implementation of their plan to strike at the structure of the secular state to pave the way for delivering a death blow to it and establishing their own religious state. The modes of this strike have been many. Perhaps the most visible of them can be seen in the efforts undertaken by several wings of these societies to impose their control over certain areas, especially in Upper Egypt, and establish their society through intimidation. They imposed a particular form of dress, collected the alms tax from Muslims, and imposed a head tax on Copts. All this occurred within the sight and hearing of representatives of the central government, who did nothing to stop it until matters reached alarming proportions.

The religious current also forcefully entered the field of education. First, it introduced changes to curricula, which helped create the climate. More calamitous, it eliminated the patriotic cheer and prohibited the flag salute, both symbols of the secular state, replacing them other cheers and salutes suited to the goals of the religious state which they are seeking to establish on the rubble of the secular state.

There have also been isolated incidents, that have not become a phenomenon but have nonetheless contributed to creating the climate. One such case involves several judges who have issued rulings not based on the law, because they consider the law, which they have sworn to uphold, secular law that is in violation of Islamic law.

While these changes were occurring domestically, changes were occurring abroad that point to an increase

in the current's strength and achievement of its goals. Perhaps these changes led to the most recent "confrontation," one of whose victims was Dr. Faraj Fudah, who was preceded by the 14 Egyptians from Damietta.

Perhaps the most important of these changes abroad is what happened in Sudan, where the Islamic Front took power. Although leading elements of the regime in Sudan deny any link between them and members of the religious current in Egypt, information from numerous sources confirms such a link. More important, the absence of such a link runs counter to all logic and historical precedence.

This change provides the leaders of the religious current in Egypt with the necessary depth to prepare cadres, smuggle weapons, and seek refuge if necessary.

The collapse of the Najibullah Government in Afghanistan following the collapse of communism in the Soviet Union and the latter's dissolution, represents another change that strengthens the trend toward the toppling of the secular state. The victory of the Afghan mujahidin raised the morale of advocates of a religious state in Egypt, who were reinforced by the return of several hundred Egyptians who had volunteered to fight in the ranks of the mujahidin. It should be noted that Algeria also has seen the return of Algerians who fought alongside the mujahidin, and who, upon their return, formed the backbone of a violent movement opposed to the secular government in Algeria.

The expected seizure of power by the Islamic Salvation Front [FIS] in Algeria, which was celebrated enthusiastically by the representatives of this current in Egypt, is a third factor driving members of this current toward ending the secular government and establishing a religious government in Egypt.

In our estimation, it is from this point that the confrontation began between the secular state, with all of its agencies, and those seeking to topple it in Egypt.

Before tracking the events of this confrontation, we should note that Egypt is not Sudan or Afghanistan. Egypt has had a central government for more than 6,000 years, according to recorded history. Afghanistan, where a tribal system has held sway, and Sudan, which is divided by tribal and ethnic conflicts, have never known such a history.

We should also note that the theocracy experiment in Sudan has gained a bad reputation because of large-scale acts of oppression, which can no longer be concealed, against opponents of the Islamic Front. The same experiment in Afghanistan is also acquiring a bad reputation due to fighting among the mujahidin groups.

In any case, what happened in Algeria, in our estimation, is a pivotal stage between the continued implementation of the scheme and its cessation.

Simply put, what exactly happened in Algeria is that one of the institutions of a secular state, its modern army,

rose up to stop the FIS from seizing and destroying the state and replacing it with a religious state. The Algerian Army's actions, simply put again, were received positively by representatives of other secular states threatened by the same dangers, especially Tunisia and Egypt. This was demonstrated by the exchange of visits between officials in the three countries, especially their interior ministers, which became evident in a campaign against advocates of a religious state in those countries.

The success of defenders of the secular state, especially in Tunisia, amid the serious setbacks experienced by the al-Nahdah group [in Tunisia], no doubt encouraged them in Algeria and Egypt. In Egypt, recent months have seen a number of changes that had to lead logically to the terrifying assassination of Dr. Faraj Fudah.

First there were the arrests, which extended to members of the MB group for the first time in a long time. Then, there was what is known as the "Sales Bill" computer office affair, followed by the arrest of several MB members in al-Sharqiyah on charges of preparing and distributing publications calling for the overthrow of the government.

Then, several political groups known for their historical rivalry with the MB, were given permission to operate. We are referring specifically to the [Democratic] Nasirist Party, which is assumed to be strong enough to challenge the religious current's control on Egypt's political scene. It was also assumed that the al-Mustaqbal [Future] Party, which was linked to Dr. Faraj Fudah, was on its way to emerging as another force to compete with the theocracy current.

Finally, there was the confrontation that had begun in educational and media organizations.

In educational institutions, the MB's influence in student unions and at universities had begun to decline, either because university authorities supported those who became known as student activists, or because of the failure of the MB students' strategy to gain control of student unions—the strategy of "the organized minority" leading the "silent majority." This strategy was thwarted by simply suspending classes on the day of student union elections. This left only the "organized minority" in the field, exposing its true size. It also permitted university authorities, under the law, to appoint student union members in the absence of a legal quorum of voters.

Regarding schools subordinate to the Education Ministry, the government's appointment of Dr. Husayn Kamil Baha'al-Din points to the government's orientation toward confronting proponents of this current in the schools, given Baha'al-Din's reputation as one of the most important believers in the secular state's role.

Regarding the media, the state cleared a margin for advocates of a secular state, presenting Dr. Faraj Fudah as a model proponent in this regard. Also, for the first time since Faraj Fudah began his struggle over 10 years

ago to promote the secular state and reject a religious state, a national magazine, UKTOBER, gave him a permanent column in which to express his views in an organized fashion. Previously, he had taken his articles frequently to party and nationalist newspapers and magazines. Sometimes, they published them, but frequently they did not.

For the first time, Faraj Fudah appeared on television, making several appearances over the past few weeks. Proponents of a religious state were unwilling to tolerate this for long, because they completely rejected the presentation of a view at variance with their own.

The MB spokesman expressed this reality when he said that Faraj Fudah was assassinated because the government permitted him and his ilk to use its agencies to attack Islam, as indicated at the start of the article.

It was necessary to strike at the new governmental policy. It was necessary to intimidate the defenders of a secular state. These are the reasons for what happened on the evening of 8 June 1992, in front of the house at 2 'Asma Fahmi Street in Misr al-Jadidah, and not the ingenious reasons, whatever they are.

The author of this article is a prominent Egyptian intellectual, a professor of modern history at 'Ayn Shams University, and a member of the Egyptian Committee for National Unity.

Government Press Control Criticized

92AF1078A Cairo AL-WAFD in Arabic 2 Jul 92 p 7

[Commentary by Salah 'Isa]

[Text] Without the radio interrupting its program to broadcast the news, followed as usual by military marches, Press Communiqué No. 1 was published on the front page of AL-AHRAM and AKHBAR AL-YAWM, to announce, in the name of the leader of the revolution of the Egyptian press, the union of the two press giants, with the founding of an investment company owned in equal shares by them. It will be like a mother company and establish subsidiaries for any activity this investment company cares to invest in.

The announcement, like the announcements of all giants in the press and elsewhere, was momentous. Its momentousness was enhanced by the fact that the two sides were careful to announce in it that they had presented the idea to President Mubarak, the overseer of democracy and protector of the protectors of press freedom—no newspaper has been confiscated during his tenure, no pen restricted. He blessed it, because it was considered a reliant and autonomous course, cutting off what every orator was saying, even the likes of Dr. Mustafa Kamal Hilmi, president of the Consultative Council, and the supposed owner of the two giant corporations and seven other press establishments, which suffer from a lack of supplies. Some are going into debt for editors' salaries on the first of every month. The commander of the press

revolution did not ask his advice on the matter, nor did they seek his consent. They were not interested in showing it to the two corporations' boards or general assemblies; those are imaginary organizations, created to throw dust in people's eyes, so that they will not be blinded by the excess of democracy in our lives. Perhaps it is fate. Dr. Mustafa was busy restricting the pens used by the editors of the newspaper YOUNG EGYPT, and sharpening it so that it might become worthy of government support.

The most dangerous thing in Communiqué No. 1 is that it confirmed that AKHBAR AL-YAWM and AL-AHRAM, which are the only two economically balanced national press establishments, are on their way to disorder. We thus sought to establish the new company so that our money would be invested in profit-yielding projects to enable them to survive, to spare them from the miserable fate of the Soviet Union, to prevent them from begging from the government, to safeguard—as the announcement itself said—their independence from the state (!), and to embrace the survival of press freedom without depending on the internal or foreign support of any party (!).

Putting aside the exclamation points that confused every reader, the announcement claimed that national papers are independent of the government and that they receive no foreign or domestic support from anyone. The announcement repeats hundreds of question marks printed with thousands of signs of confusion, which were there for years, over the causes of the economic collapse of the state-owned press corporations and whose specter today hovers on the horizon of the only two balanced corporations. These are signs ignored by all because the supposed owner of these newspapers is busy sharpening pencils and because their actual owner—the government—has given them to those who will manage it so that they may do as they like with them, without being monitored or held accountable, without any hearing on the decisions they make, or the policies they enact. There was an unwritten contract between the government and those managers that they could do as they liked and take action on their fixed or variable assets and on their journalistic employees, because they are considered assets of the estates bequeathed to them by their forebears, in return for a negligible price—merely to praise the government, support whatever it does, and justify corruption, oppression, silly opinions, and bad policy!

Although the press authority law requires the Supreme Press Council to prepare an annual report on the condition of the press corporations owned by the Consultative Council, no one has written such a report in 10 years, or at least published one. Although the press corporations submit to the oversight of the Central Accounting Agency, no one has discussed this agency's reports about them, or forwarded to the district attorney for investigation any charges made in those reports against their high-level managers that they waste public money,

Of course, Communiqué No. 1 said the activities the mother company will pursue are not limited to those they currently pursue, and most will be of the kind that have been publicized as a trend in press administration since the 1970's, with the investment of national press corporation funds in the funding of ballpoint pen companies, or dealing in used clothes, or selling combs and lice combs, or establishing tourist villages and river clubs—lively activities, to be sure—but danger lurks in the fact that they turn journalists within their institutions into downtrodden minorities; and raise the status, salaries, and influence of senior administrators, at the expense of their status and salaries, tempting them to leave journalism and join companies selling wall-to-wall carpeting or manufacturing perfumes, to wander in the streets and sell combs and lice combs, since these bring in more money than journalism, or drive them to sell their pens to get the money to print their news from the sources!

If the state intends, as stated in the June 27 "newsboy" release of the Council of the Revolutionary Leadership, to stop supporting newspapers, let us leave them to depend on their own funds, and if they are not eager to hurt the feelings of the corrupt or to waste their efforts defending them in the pages of the newspapers, why do they not hurry up and put these corporations up for sale—to be bought by their editors or by investors capable of running them on truly professional bases—instead of remaining incubators for corruption, for the destruction of the profession, and for the sabotage of the emotions of the younger generations that work in them,

in the belief that this is a profession of public opinion—though it is nearly becoming a profession of public corruption!

Why did it become the right of national press corporations to invest their money in nonpress, commercial activities and interfere with political parties and the newspapers they own? Between the pursuit of this activity—according to a clear clause in the party law—to manage resources, ensuring the stability and continuity of these newspapers, independence from their parties, interfering with political parties, and resorting to means of managing resources spent on their activities, may lead to the spread of corruption in it.

Why does privatizing seem—in the government's view—tantamount to destruction, unless it concerns the press and media agencies, at a time when—by nature—the press should be independent if we want to create a mature public opinion that can distinguish between right and wrong and choose its representatives with care and discernment?

If the government wants to stop supporting the newspapers, why pay 10 million pounds every two years to ensure the victory of its candidate for the job of dean of journalists, to nationalize and corrupt the institution of the press, including the syndicate?

The reason is simple and clear. In the countries of the Third World, governments cannot live, continue, and remain without the duo of priests and executioners.

Executioners prevent every person from going outside the approved line, and priests justify this line, which has not achieved justice or stability.

When will the end of this nightmarish duo come?

Parliamentary Report on Work Force Issues

92AF1019D London AL-SHARQ AL-AWSAT in Arabic
22 Jun 92 p 6

[Text] An Egyptian parliamentary report warns of a sudden mass return of Egyptian workers from Libya. According to the report, "It appears that the bitter experience of our workers in Iraq is about to be repeated."

The report, which was prepared by the labor committee of the Egyptian parliament, stressed the necessity to impose regulations on the travel of workers abroad without hindering their constitutional rights and while preserving the interests and rights of those workers.

It seems that the threat of mass return will continue to pursue Egyptian workers abroad. The present Libyan crisis reminds Egyptians of the crisis that the workers faced in Iraq, particularly with rumors of Libya getting rid of the Egyptian workers that poured into that country following the decision to open the borders around a year ago. Almost every year, Egyptian immigrant workers encounter recurrent crises. This has driven the Egyptian parliamentary labor committee to confront the issue and prepare a comprehensive report which will be submitted to the government to implement its recommendations. This is what the report includes:

The main issue that the committee faced was determining an actual and realistic figure for the number of Egyptian workers abroad as all existing figures seem to be contradictory. This is due to the fact that various government agencies deal with those who travel abroad for work. Besides, Egyptians abroad fail to register with consulates and some local authorities do not cooperate with Egyptian missions abroad regarding the registration of the actual number of workers in their countries. Official figures include only those who travel with work contracts or through official deputations and do not include those with personal contracts or those who travel through unofficial means such as tourism. Besides, some governments avoid revealing the actual number of Egyptians living in their countries so as not to acknowledge their rights, privileges, and insurance benefits.

The report indicates that, according to diplomatic missions' estimates, the total number of Egyptians abroad is 3,756,819 of which 3,107,139 are in Arab countries, 46,370 in Asia, 3,328 in Africa, 821 in Eastern Europe, 154,821 in Western Europe, 441,338 in North America, 3,119 in South America, and 10 in Central America. Statistics from the ministry of labor show the number of Egyptian workers in Arab countries to be 2,051,012 of which 1,250,000 are in Iraq, 376,000 in Saudi Arabia, 161,000 in Kuwait, 83,000 in the Emirates, 125,000 in Jordan, 31,000 in Yemen, 20,000 in Qatar, and 3,000 in the Sudan.

The report states that the total number of permits issued over the period from 1 July 1984 to 31 December 1990 was 6,057,915; fees paid for these permits amounted to

992,035,681 pounds. The number of Egyptians applying for new permits continues to decrease due to recent political and economic developments in the labor markets.

According to the report, these developments include the decline in oil export prices, which has forced some of the oil states to cancel many projects and lay off many workers. These states are considered the primary market that attracts and imports Egyptian labor. In the period since 1989, thousands of Egyptians have returned from Iraq after being mistreated and assaulted. Thousands more returned during the Gulf War, and none of those who returned from Iraq have applied for renewal of their work permits.

The report specifies 10 major problems that encounter Egyptian labor abroad. These include the incompatibility of wages between local and foreign workers, the nonadherence to contract provisions concerning wages and work conditions, the exploitation of Egyptian workers by job brokers who sometimes get 50 percent of wages, and the confiscation of passports to prevent workers from leaving the country without the consent of the official sponsor.

The problems also include competition between Egyptian and other workers due to the continuing crowdedness in Arab labor markets, especially open markets, the issue of seasonal labor, the decline in living standards of immigrant workers, the lack of communication among the Egyptian communities in Arab states, the lack of services including health care for immigrant workers, the sudden repatriation of Egyptian immigrant workers and finally, the issue of smuggled labor, in which case some workers cross through common borders as when a worker enters Iraq and then tries to cross to Kuwait; some Iraqis are experts in this business.

Workers and the Gulf Crisis

The report devotes a chapter to the impact of the Gulf crisis on Egyptian workers and points to a number of facts. One is that the number of Egyptian workers in the two countries was 1,029,500 before the war, including 850,000 in Iraq and 179,500 in Kuwait. The number of Egyptians that had returned up till 30 October 1990 was 390,000. This has resulted in losses of an estimated 2.4 billion dollars annually in transfers from these workers. Furthermore, the investment needed to provide job opportunities for these returned workers is estimated at 4.5 billion dollars. The direct material losses of these workers totals more than 10 billion dollars.

The report further indicates that the 220,973 Egyptians who returned from Iraq had deposits in Iraqi banks totalling 39 million American dollars, 400,000 Iraqi dinars, 15,000 Kuwaiti dinars, 30,000 Saudi riyals and 1,700 Egyptian pounds. The total losses suffered by Egyptian workers in Kuwait and Iraq were estimated at 23 billion dollars, and uncovered money orders by Egyptians returning from Iraq totalled 682.9 million dollars. The Iraqis also seized 720 million dollars in

savings, preventing their transfer. This brings the total losses to 2 billion and 362 thousand dollars, not counting due wages, completion of service awards, and other compensation.

The committee stressed the need for the International Labor Organization to contact countries that froze Iraqi Government assets and convince them to allocate part of these assets towards covering Egyptian workers' transfers of deposits from Iraqi banks. These transfers, which currently total 1.1 billion dollars and which have not been contested by the Iraqi Government, would then be transferred to the workers' accounts in Egypt.

The committee pointed out that the Iraqi Government had forced some Egyptian workers to commit illegal acts. Some workers, especially those in military institutions, had their contracts extended by the Iraqi Government for one year without their consent. The workers, who insisted on terminating their contracts and returning home, were then asked to take 10 days of leave. The Iraqi authorities would then fire the workers and thus the workers would lose all their rights and remunerations according to laws set by the Iraqi Government.

A "Prescription" for Treatment

The committee gives a "prescription" for treating the problems of Egyptian workers abroad. This includes workers' obtaining certified work contracts before travelling abroad and making insurance on Egyptian workers abroad mandatory and not voluntary, with the insurance guaranteeing compensation for perils and covering the cost of transporting the body of a deceased worker back home. It also calls for the study of foreign labor markets in the next few years to determine the demand for Egyptian workers and increasing Egyptian presence in Africa.

Agricultural Bank Official on Reforms' Impact

92AF1019B Cairo AL-AHRAM AL-DUWALI in Arabic
30 Jun 92 p 4

[Article by 'Abdel Wahab Hamid]

[Text] Interest rate liberation is an important tool of economic reform. One of its important positive outcomes is the determination of the realistic and actual cost of economic activity. However, 'Adil 'Azzy, chairman of the Agricultural Credit Bank, thinks that it has had a negative impact on some sectors such as agriculture. This is especially true since the increase in production costs due to the rise in interest rates and raw material costs has not been accompanied by an increase in agricultural product prices, although those prices are being determined by supply and demand.

Engineer 'Adil 'Azzy says: "The agricultural banks—which are specialized in serving the agricultural sector—support all the economic reform steps. However, as those banks have to provide necessary financing for more than 3.5 million farmers, they must express their view of this

sector's problems. One of the most important problems is that of high interest rates on agricultural loans. The rates are so high that they hinder agricultural investment development." He further declared, "The liberation policy and adoption of market mechanisms coincided with the elimination of a sizable portion of subsidies, resulting in increases in raw material costs and financing costs. In this regard, I question how we could call for the expansion of land reclamation projects without offering low rate loans to induce investment. Besides the increase in interest rates in the agricultural sector, there was an increase in crop yields, a lowering of subsidies on seeds, an increase in the financing cost from 14 percent to 21 percent, and increases in transportation costs. In addition, the price of packaging has soared, including the increase in custom tariffs on some imported materials from 7 percent to 10 percent."

The president of the bank further elaborated on the negative impact of rising interest rates on agricultural loans by saying: "Farmers had accepted the increase in interest rates on loans while hoping for increases in crop prices that would match production cost increases. In fact, the increase of interest rates on loans for the various agricultural activities may be a discouraging factor for both farmers and investors. The loans provided by the Agricultural and Credit Bank are utilized by farmers to cover production costs. This increase in rates which brought them up to 20 percent could discourage farmers from taking loans from agricultural banks. Until recently, rates did not exceed 6 percent. Taken together, these factors have a negative impact on both agricultural production and its expected development as stipulated in the development plan".

Mr. 'Azzy adds: "The volume of agricultural banks' activities in 1990/91 amounted to about 8.2 billion pounds, and it is expected to reach 10 billion pounds in the current year. Sources of this financing are deposits and savings which amounted to about 1,726 million pounds, and about 1,691 million pounds in loans from commercial banks. These sources of financing are costly and so agricultural banks have to raise interest rates for their customers to match the interest rates on deposits and savings offered by commercial banks in order to attract the largest portion of these savings. Actually, since banks need long term financing sources to meet the demands of investment projects, they have had to raise the interest rate to up to 17.5 percent on five-year deposits. Besides, beginning 1 January 1991, commercial banks raised interest rates on overdrafts from 8 percent to 13 percent, and beginning 1 January 1992, to 16.3 percent. What is needed is the allocation of fixed sums in the budget for the agricultural sector and allowing the use of commercial bank surpluses at a low discount rate. This does not imply that agricultural banks are asking for direct subsidies from the state as is the case for many gricultural banks worldwide. Yet, agricultural banks would like to be at par with commercial banks regarding the increasing of their capital and finding new sources of cheap financing sources, in order for them to be able to

rely on these sources for formulating interest rate structures that suit farmers' conditions and their activities."

The bank's president also suggests that bank customers be allowed to keep current accounts in the agricultural banks. Banks could use these accounts as financing sources.

He stressed the fact that land reclamation projects had been transferred to the private sector. Naturally, these activities required large investments, while they did not realize quick economic returns. Consequently, providing investors in this area with financial facilities at low interest rates similar to housing loans is required. The president is wondering why the state does not provide agricultural banks with 100 million pounds of loans at a subsidized interest rate equal to that given to the housing sector on its 400 million pound loan.

Joint Ventures in Nasr City Free Zone

92AF1096C London AL-SHARQ AL-AWSAT in Arabic
10 Jul 92 p 10

[Unattributed article from the Cairo Bureau]

[Text] The central administration of the Nasr City Free Zone in Cairo has initiated measures to implement five new investment projects within the zone, capitalized at four and a half million [Egyptian] pounds.

It has been decided that these projects—to be implemented by Egypt, the United Arab Emirates, Britain, France, and Pakistan—should begin production in the next six months.

President of the Nasr City Free Zone's Central Administration 'Abd-al-Hakim Ahmad al-Sawi says the new projects include a joint Egypt-UAE project to package agricultural produce for the first time, with an annual capacity of 1,170 tons, a future productive capacity of approximately 20,150 tons, capital of \$350,000, and investment costs of \$760,000.

According to the project's economic feasibility studies, 60 percent of the project's output will be exported to foreign markets, and the rest to the local market. Egyptian participation is 90 percent; Emirates participation is 10 percent.

He added that the second project is a joint Egyptian-British project to assemble and manufacture equipment needed for oil drilling and mining, with storage of petroleum supplies and equipment, capitalized at \$280,000, at an investment cost of \$560,000 and with a production value of \$2 million. Egyptian participation is 52 percent; British participation is 48 percent.

He indicated that the third project, to package, prepare, and store chemicals for the medical industry, was Egyptian and French, capitalized at \$252,000 dollars, with an

investment cost of \$452,000, and production capacity of 1,000 tons per year. Egypt's participation is 80 percent; France's, 20 percent.

He said that the fourth was a joint Egyptian-Pakistani project to produce furniture, capitalized at \$250,000, with production capacity worth \$720,000 per year, and investment costs of \$550,000. Investment costs are to be shared equally between the two countries.

The fifth project is an Egyptian one, to assemble, manufacture, and store special equipment and components for elevation pumps used in companies that produce oil; leasing and technical services will be offered. It is capitalized at \$160,000, at an investment cost of \$400,000, and production worth one million dollars.

Speaking of the facilities offered to the Free Zone projects, al-Sawi explained that the new investment law stipulated the exemption of goods exported abroad by these projects or imported by them from abroad, from customs duties, consumption taxes, and other taxes and fees. The projects' imported tools, machinery, equipment, and essential means of transport needed to pursue the activities licensed for installations inside the Free Zone—except for passenger cars—are exempt from customs duties, consumption taxes, and other taxes and fees.

He said that the new investment law clearly stipulated the nonapplicability of projects and their profits to the tax and tariff laws in Egypt, and the exemption of transit goods from paying tariffs on incoming and outgoing commodities, and the exemption of non-Egyptians from income tax.

The President of the Nasr City Free Zone's Central Administration spoke of the merits of the new Egyptian investment law, saying that the chief merit was the opening of the door to foreign participation at any percent—even 100 percent—for any Arab or foreign investor. This is versus Law 43 of 1974 that required that Egyptian participation in any project could not be less than 51 percent.

He added that the Public Investment Commission supports all investment projects on Egyptian soil and offers all its services so that activity and other services may be pursued more easily. The Project Investment Law, established with the Free Zone Law, dealt with a set of special qualifications and guarantees, such as granting total freedom in choosing the field of investment to those wishing to invest in these zones. The law did not define limit fields for investment. The choice of the investment field depends upon the investor's financial means, his studies of local and foreign markets, and his exporting capability, in addition to freedom to import from the local or foreign market, and nonobservance of the rules of laws monitoring the operations of the use of currencies circulating in Egypt, and the same treatment of goods and commodities exported to free zone projects as that accorded to those exported abroad.

Negotiator Discusses Arms Control Efforts

92AF1034A London AL-SHARQ AL-AWSAT in Arabic
23 Jun 92 p 5

[Text] Many question marks are consistently being raised regarding the discussions that took place in one of the most important committees stemming from the multilateral peace negotiations between the Arabs and Israel to settle issues and conflicts between them, namely the disarmament committee or what is known as "arms control and national security" committee.

Many observers believe that the negotiations and the national security committee ended with the parties merely expounding their views at the negotiating table. Others affirm that the negotiations came to a dead end because of Israel's refusal to discuss nuclear arms.

In a statement to AL-SHARQ AL-AWSAT, Major General Ahmad Fakhr, an Egyptian military expert and member of the delegation to the negotiations committee which met in Washington, reveals a great deal of the discussions that took place during its meetings on arms control. He brings up the question of whether the talks succeeded in reaching a definite concept on this important and serious issue.

The Egyptian expert said the subject discussed at the committee meetings in Washington was not that of disarmament as some would imagine, but rather arms control in the Middle East.

Basically, the invitation letter which President George Bush and former Soviet president Gorbachev addressed to the negotiating parties proposed conducting negotiations on three levels. The first is the initial stage in Madrid; the second is bilateral talks between the Arabs and Israel, that is, the countries directly involved in the conflict; and the third is the multilateral talks. The letter proposed that the talks be held between working groups and committees that would deal with topics and issues concerning the economy, the refugees, water, arms control, and the environment. What happened during the arms control and regional security committee aimed at reaching agreements that would bolster regional security in the region with a minimum amount of armament so that security will be mutual and will not be achieved for one party at the expense of the other. Speaking about the first meeting of the committee in question, Maj. Gen. Ahmad Fakhr said: The meeting was conducted by the sponsoring countries, the United States and Russia, and was attended by 12 Arab countries, the EC, Canada, India, China, and Japan. Syria and Lebanon declined to take part in the meeting. Egypt submitted a working paper containing its views of the objectives of arms control and its stages. In this regard Egypt based its stand on the Egyptian public and invariable attitudes since the 1974 initiative that called for making the Middle East region free of nuclear arms, and President Mubarak's 1990 initiative that called for the abolition of total destruction weapons, whether nuclear, chemical, or biological. Maj. Gen. Ahmad Fakhr said: It must be pointed

out that agreement was reached at the final meeting of the first session, held in Moscow, that the first stage should be devoted to discussing previous experiences in the field of arms control on international and regional levels, with the aim of formulating a unified concept by the party to the negotiations. Therefore, discussions at this stage dealt with previous experiences and the question of confidence-building measures that were taken in this regard between the east and the west.

Discussions also dealt with experiments of limiting the danger of the outbreak of nuclear war in the Middle East and the question of agreements that would reduce the dangers of incidents at sea as well as other experiments.

Regarding the control committee, future meetings and the possibility of its success in reaching specific resolutions in the light of Israel's intransigence and the large quantity of nuclear weapons which Israel possesses, Maj. Gen. Ahmad Fakhr said Egypt and all the Arab countries that participated in the committee meetings as well as Israel and the world community that were represented at the negotiations, asserted that the multilateral talks are not a substitute for bilateral talks but rather a full support for them. Egypt also asserted and emphasized that the success of the bilateral talks primarily depends on positive and tangible development in the bilateral talks. It also depends on the work of the other working groups, whether dealing with the environment, water, economic development, or the question of refugees because all these are linked to one another.

Regarding the possibility of talks actually leading to arms control agreements or to abolishing weapons of total destruction, he said: Arms control issues in the Middle East are not isolated from the international efforts in this field. A final revision of the agreement on nonproliferation of chemical weapons is under way in Geneva. Its international benefit will affect the situation of chemical weapons in the Middle East. Moreover, there is a committee of experts on developing the 1974 agreement on biological weapons to verify the measures taken to ensure that such weapons are not used. Also, international efforts are being made with regard to the transfer of advanced missile technology, called the missile technology control system. This began with seven member states and has now reached 18 member states.

It has been recalled that the international agreement on nonproliferation of nuclear weapons expires in 1994. Revision is under way with a view to extending the agreement and seeking to include the parties that have not joined it so far. Therefore, the total sum of all these efforts at the international level are bound to have direct and tangible effect on arms control efforts in the Middle East, if we take into consideration that what is being called the new world order depends on one of its aspects of international and regional arms control. This was clearly evident in the attitude of the five permanent members of the Security Council, whether in the London Statement or in the recent UN meeting. It was also evident in the initiatives of the leaders Mitterrand, Bush,

Major, and Yeltsin. Therefore, we should not view the question of arms control in the Middle East separately from the international efforts that contribute to shaping what is called the "New World Order." Divergence from such order after the cold war is over will be temporary [as published] which calls for taking international measure with new standards, as we have seen in the Gulf and Yugoslavia.

Speaking about the situation, in case Israel refuses to join the nuclear nonproliferation treaty and what would its future stand be on armament issues in the Middle East and on peace, the Egyptian expert said: One important issue to be pointed out here is the need for the status quo to cease and for it to be changed. For example: The CIS [Commonwealth of Independent States] countries gave up their nuclear weapons not because of the need to balance the former U.S.-Soviet nuclear armament, but because these countries want to join the new world order, to strengthen their economies, and resolve their social problems. This cannot be achieved and articulated without cooperation with the world community and obtaining its economic and financial backing. The same situation applies to Israel. Some military and strategic experts say that it is in the interest of the major arms-exporting countries to maintain the Middle East as a market in order to revive their industries and promote their goods sales in it. How can this be reconciled with the efforts to achieve and maintain arms control with the countries sponsoring the peace conference putting their interests above everything else? Maj. Gen. Ahmad Fakhr says: There is no doubt that arms manufacturing is a political and economic issue because the arms industry always seeks to find good markets for its products and to ensure that no single major power will have the exclusive monopoly of these markets.

Arms control does not mean disarmament, as has been said. Nor does it mean closing down industries and arms manufacturing. Rather it means increasing opportunities for the availability of weapons that boost defense capabilities and national security and not those that lead to boosting offensive capabilities and military threat.

This perhaps is evident in the policies the Latin American countries and the former Soviet Union are now pursuing.

Military To Establish Crisis Center

*92AF1019C Cairo AL-AHRAM AL-DUWALI in Arabic
22 Jun 92 p 1*

[Text] Yesterday was the graduation ceremony for three classes at Nasir Military Academy. Defense Minister General Muhammad Husayn Tantawi announced that Egypt's military strategy was clear and well-established and that strength was the major element needed to provide and preserve peace. He added that this military strategy was associated with Egypt's being a part of the Arab World and Africa. To attain this strength, Egypt had to develop its military capability in cooperation with its brethren, who share its destiny, and also in complete

understanding with its friends worldwide. The ceremony was attended by Chief of Staff Lieutenant General Salah Halabi, the "Chief Imam" Shaykh of Al-Azhar, Director of the President's office for political affairs, Dr. Usamah al-Baz, the Electricity, Irrigation, and Education Ministers, as well as some ambassadors. The defense minister said that Egypt's military colleges and institutes will continue to cooperate with military colleges of brethren and friendly nations. Exchanging staff and students and benefiting from the experience of these nations in different fields would be one aspect of this cooperation. He continued to say that Egypt's national security, and the peace she was striving to achieve would thus be served. Eventually Egypt could head toward human and economic development in a world that is presently thriving for the achievement of peace and prosperity for all peoples. AL-AHRAM correspondent Ahmad Fu'ad has learned that the armed forces has completed the establishment of a crisis center. Other centers were also being established by different ministries and government departments. The work of all centers will be coordinated to form a comprehensive national crisis center that could formulate important and quick resolutions.

During the ceremony General Tantawi requested that the order of presentation of prizes and diplomas be according to achievement, not to seniority in the army, so that good performers would feel appreciated. Accordingly, the minister presented top performers with their diplomas. Brigadier General 'Ali Mas'ud was the top performer in the academy.

In his speech at the ceremony, academy president Major General 'Ali Ibrahim 'Awad said that an academic goal which had not been achieved during the last seven years was achieved this year. This goal was the exchange of visits for staff and students between the academy and comparable academies abroad. Describing curricula development at the academy, he said that new subjects such as national security and military history would be introduced at the Graduate Military Academy, and those of military strategy, computers, and information systems at the Defense College. He also said that the Chair for Marine Force would develop into a Marine College, and that for Air Force and Air Defense into an Air Force College. The teaching of foreign languages would also be emphasized.

Major General 'Adil 'Abdu Mas'ud, president of the Graduate Military College, said that military commanders from five Arab countries: the Emirates, Algeria, Syria, Oman, and Qatar had attended this class. The cooperation of those leaders was a prelude to stronger military cooperation between them. He also said that this had added to the Arab military buildup which would confront the dangers and challenges facing the Arab nations.

Major General Muhammad Salah Al-Yamani, director of the National Defense College, mentioned that world changes and their impact on Egyptian and Arab national safety were among topics discussed as a part of this

class's activities. Other topics also discussed were those of some critical problems such as pollution, unemployment, future of world Muslim minorities, and future of nonalignment.

He indicated that the curriculum of the crisis administration course included topics such as scientific basis for crisis administration and negotiations and the role of the media. The Libyan-Moroccan crisis was studied and analyzed as a case study using a computer.

The minister then approved the granting of the fellow degree and the stripes of both the Graduate Military College and National Defense College to the graduates. The Chief of Staff also approved the granting of diplomas to class 7 of the crisis administration course.

Participating in these courses were military graduates from all the different forces besides civilians from the electricity, education, irrigation, and foreign affairs ministries, the Arab Industrialization Organization, and two students from the media, No'man Al-Zayadi of AL-AHRAM newspaper Political and Strategic Center and a researcher from ROSE AL-YUSUF magazine.

Developments in Air Defenses Cited

92AF1019A Cairo AL-AHRAM AL-DUWALI in Arabic
30 Jun 92 p 1

[Text] Today, Egypt begins celebrations of its air defense forces in commemoration of the completion of the Egyptian missile defense system in 1970, and celebrates the week when Israeli warplanes were being shot down on the Suez Canal front. The Defense Minister, General Mohammad Husayn Tantawi, will attend today's celebrations marking this event. Next Monday, he will attend live-ammunition exercises of air defense weaponry that have been enhanced by Egyptian engineers and technicians. The celebrations will end on 12 July with the graduation ceremony at the Air Defense Academy in Abu-Keir, Alexandria.

At a news conference held yesterday, Lieutenant General Mohammad Zaher 'Abd-al-Rahman, commander of the air defense forces, declared that the air defense forces are continuously improving their weaponry and their performance so that they can face any potential threats and continue to defend Egyptian skies. As part of this

improvement effort, the force will soon add the arm-launched American "Stinger" missile to its arsenal and new units of the "Chapparral" missile system will also go into operation. In addition, a crucial and fundamental alteration of the "Hawk" system will be implemented, resulting in greatly improving its combat capabilities. The second phase of the automatic command and control system also will be completed soon.

The air defense forces commander said that the war of liberation of Kuwait had proved the great effectiveness of electronic warfare operations. The allied forces succeeded in paralyzing Iraqi radar stations and guidance and control centers using electronic interference measures. This eliminated the effect of the Iraqi air defenses on ongoing combat operations.

AL-AHRAM correspondent Ahmed Fouad has learned of substantive cooperation with Kuwait in the air defense arena. This cooperation is in the spirit of mutual destiny and goals. The last phase of the large air defense system "al-Mubarakiya" was completed last month. This system was designed to be compatible with the Kuwaiti field of operation and several units of the system were supplied to Kuwait. The air defense forces held many responsibilities in this project including completing a study phase, designing the system, supervising its production, completing technical and safety tests, training Kuwaiti crews, and performing tactical firing exercises. This system is a good example of Arab cooperation in the air defense field.

In answering a question about the air defense forces' ability to keep up with the latest international developments, especially in the field of electronic warfare, General Zaher 'Abd-al-Rahman said that electronic warfare has become a main element of any operation, that it is being used very effectively, and that his forces have all the means necessary to handle it. This was through the use of the total air defense concept which includes fighter planes, missiles, many kinds of artillery, guidance systems, heat-sensitive cameras, and television cameras.

At the end of the news conference, the commander of the air defense forces praised the automatic command and control system that President Husni Mubarak recently inaugurated and explained that this huge multiphased project had achieved its purpose of conversion from a manual to an automatic command and control system. He added that as part of this year's celebrations the central command of the air defense forces will be opened after its conversion to an automatic command center.

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